Level 1
Level 2
Level 3
Level 4
Level 5
Level 6
Level 7
Potential Root Causes
Evidence
Why is Starbucks struggling to maintain its growth trajectory?
Because internal decisions are ineffective at driving growth.
Because the wrong decisions are being made
Because existing markets are not being grown effectively
Because new customers are not being drawn to existing locations
Because there are no new customers remaining.
Because existing locations have become too busy
Because new locations in current markets are failing to capture more business
Because Starbucks is ineffectively choosing new locations for stores that primarily reach markets previously tapped by competitors
Because new stores are being opened in markets that have already been exhausted by other Starbucks locations, cannibalizing sales.
Because new markets are not being captured effectively
Because new international markets are not being captured effectively
Because Starbucks is failing to adapt to variety in consumer preferences in other countries.
Because international laws and politics are inhibiting effective growth abroad.
Because new domestic markets are not being captured effectively
Because it is difficult to find physical space for new locations.
Because it is difficult to find untapped markets domestically.
Because decisions are being executed ineffectively
Because corporate decisions are not being properly adopted at the store level
Because there is a disconnect between corporate decisions and what is feasible at the individual location level
Because of inefficiencies at individual locations
Because the menu has become overcomplicated
Because employees at the store level don't trust corporate to make intelligent decisions
Because employees at the store level are not happy with other aspects of the work environment
Because corporate leadership is failing to disseminate decisions effectively
Because corporate leadership does not understand their lower level employees.
Because corporate leadership has not taken the time to understand the experiences of lower level employees
Because corporate leadership does not care to develop relationships/the perspective of lower level employees.
Because corporate leadership does not have the skills to execute decisions effectively
Because new corporate leadership is required.
Because corporate leadership needs to develop better communication and execution skills
Because external market factors are hindering growth.
Because there is less demand from customers
Because customer values are changing
Because customers desire higher tech experiences
Because customers desire a more convenient experience
Because customers desire a more gamified experience
Because customer desire more premium experiences
Because Starbucks is losing its reputation as a premium brand
Because competitors are offering a more premium experience
Because customers are prioritizing more sustainable experiences
Because customer are concerned about the environment
Because customers are concerned about the workers producing the coffee
Because customers are concerned about the wellbeing of the baristas
Because customers are concerned about the wellbeing of coffee farmers
Because customer price-sensitivity is changing
Because inflation is affecting customer spending decisions
Because customers have less disposable income as other expenses increase.
Because Starbucks' products are becoming more expensive
Because Starbucks is charging more to increase profit margins
Because Starbucks is charging more to counter increases in their expenses
Because customers have less disposable income
Because customers are choosing to spend a greater portion of their income on other products/services
Because customers are making less money
Because of increased competition in the market.
Because the market has become oversaturated
Because there are too many new competitors entering the market
Because the new competitors see an opportunity to steal Starbucks' customers
Because the new competitors see an opportunity to draw in new customers.
Because the available market share is being broken into smaller and smaller pieces by new entrants
Because there are so many options customers are becoming loyal to other brands
Because there are so many brands customers don't feel the need for brand loyalty
Because customers prefer the competitors more than starbucks
Because the competitors offer things that starbucks does not
Because the competitors utilize new technology to provide a more convenient experience
Because the competitors are capturing more of the market with innovative products
Because the competitors do the same thing as starbucks but better
Because the competitors' products are better quality
Because competitors offer similar products at a lower price